contemplated was only one and a half per cent at the time. Now almost in every dam of this country, it has gone beyond three per cent. This is reducing the cost-benefit ratio by 50 per cent. What a colossal loss to the nationa! All these areas will have to be taken into consideration because ultimately our aim is not to see from one window. I initially stated that it has not to be looked only n isolation but the whole gamut of our fiscal policies related to industrially development, related to agriculture, related to job-orientation and related to balanced development of the country in all the areas need to be looked into.

Therefore, though my dear friend may dislike, I would say that this is an elitist Budget. It does not take into consideration the realities of the country obtaining today. Threfore, I would wish, consideration. Of course, as an obedient soldier of my party, I would vote and support your Bill. But if I do not point out of things which occur to me and which are not proper, then I would be failing in my duty even as your colleague and as a comrade. Therefore, I wish that please in the matter as I told you, create an atmosphere where investment psychology, psyche is there in the country, you include the growth centres also in the exemption.

Lastly, I would say that I do not say this in anger or criticism, I appreciate the hon. Minister of Finance's effort under the given constraints, circumstances, the compelling circumstances, he has done well. But I wish that this Government should now look into all the areas-I pointed out earlier about the CAG Reports and other things-and take corrective measures. Not take it with by mere touching here. I would say that a touching process would not heal the malady in the economy which has cropped up.

1730 hrs

[English]

STATEMENT BY MINISTER

Comprehensive Test Ban Treaty (CTBT)

THE MINISTER OF EXTERNAL AFFAIRS (SHRI I.K. GUJRAL) : Mr. Deputy-Speaker, Sir, this hon. House will recall that I had made a *suo motu* statement regarding the Comprehensive Test Ban Treaty (CTBT) on 26th August, 1996, outlining our assessment of the developments in Geneva and our approach during the discussions in the General Assembly in New York. The discussion that followed was heartening in that it reflected a national consensus on an issue which the Government consider to be of vital national importance. The strength of the national consensus is reflected in the policy of this Government and the course of action which was adopted during the discussions in New York. Today, may I, with your permission take this opportunity to brief the hon. House on the developments in the resumed session of the 50th UN General Assembly in New York.

As hon. Members are aware, we had withheld consensus on the draft text of the CTBT in the Conference on Disarmament (CD) in Geneva because it fell for short of the mandate in all its aspects. It is not a"comprehensive treaty"—it permits the nuclear weapon States to continue their weapons related research and development activity using non-explosive technologies. It lacks any meaningful commitment to nuclear disarmament and instead of being the definitive first step of the nuclear disarmament process, it only serves to perpetuate the existing discriminatory *status ouo*. Consequently, the draft text cannot, contribute to the enhancement of international peace and security.

From India's point of view, the treaty also had an unacceptable provision in Article XIV dealing with Entry Into Force which seeks to impose obligations on India despite our clearly stated position that India would not subscribe to this text. Hon. Members are aware that we have made known our strong objections to this formulation, in bilateral discussions and in multilateral fora. As this provision was not modified, India was obliged to convey its opposition to the text, both in Geneva and in New York.

Through a procedural manoeuvre, the draft text was introduced in the resumed session of the 50th UN General Assembly in New York. We made it clear to the President of the UN General Assembly and all other delegations that such an approach did not obscure the fact that this text is a non-consensus text which does not fulfil the mandate given to the Conference on Disarmament. Subsequently, we have also informed the President of the UN General Assembly and all delegations about the amendmsnts that would be required for the draft treaty to meet the mandate of the Conference on Disarmament. In doing so, we have placed our concerns, regarding the procedure and the shortcomings in the draft treaty text on record. Hon. Members are aware that our amendments called for a commitment to nuclear disarmament within a time bound framework and for a genuinely comprehensive treaty which commits all countries to refrain from any activity relating to the development, refinement and qualitative improvement of nuclear weapons. We also have, in this document, put forward our amendment relating to Article XIV regarding Entry Into Force.

The deliberations in the UN General Assembly session concluded last night with the adoption of a resolution, adopting the flawed text of the CTBT and calling for a signing conference to be convened at an early date. 158 countries voted in favour of the Australian

proposal which was co-sponsored by 126 countries. Libya and Bhutan, along with India, voted against the resolution. We, particularly, appreciate the fact that neighbouring Bhutan, with whom we enjoy traditional ties of close friendship and understanding, has shared our perceptions. Similarly, it is a matter of satisfaction that Mauritius, with whom we share close ties, expressed understanding regarding our position and chose to abstain on the resolution. In all, five countries abstained on the resolution. It is worth nothing that though the resolution has 120 co-sponsors, many non-aligned countries who have taken an active interest on this issue have refrained from co-sponsoring the resolution. These include, among others, Indonesia, Malaysia, Sri Lanka, Arab Republic of Egypt, Nigeria, Zimbabwe, Mexico.

The vote was preceded by an active debate which focused on the disarmament perspective in which a CTBT should have been placed. Participating in the debate were several NAM countries. There was a widespread expression of concern over the procedure adopted and apprehension that it may erode the credibility of the Conference on Disarmament. A large number of countries expressed dissatisfaction with the Entry Into Force provisions as being unprecedented and an unwelcome departure from customary international law. The intrinsic shortcomings of the treaty text were highlighted by non-aligned delegations participating in the debate reflecting a shared perception with India. In our discussions, many countries have assured us that they recognise the validity of our concerns. We have the distinct impression that even after the adoption of the text, there is an uneasiness on the part of many delegations about what has really been achieved and the manner in which it has been brought about.

There is an understanding of India's position in the international community. The Government has taken necessary steps to sustain a dialogue with all friendly countries in order to explain the rationale for our approach. We are confident that our bilateral relations with countries will not be affected by our differences on this issue. In fact, our candid and transparent attitude and continued dialogues despite differences in perception, have esnured that our voice has been heard with respect. I must convey my gratitude to the hon. Members because it is the consensus in this House and in the nation as a whole that has given strength and credibility to the Government's stand.

As regards what might happen in future, I would assure this House that we will maintain our position and not sign the CTBT. The Entry Into Force provision will ensure that this treaty shall never enter into force unless is proponents agree to amend this provision in order to remove any possibility of imposing any obligations on India. There have been no pressures on India and if there are any in future, I am confident that this country has the national will to withstand such pressures.

The discussions in the UN General Assembly have clearly shown that there is growing support for adopting a comprehensive, phased and timebound programme for nuclear disarmament. We will continue to take initiatives in the United Nations and other fora in keeping with our consistent and principled policy for achieving progress towards our shared goal of a nuclear weapon free world which will enhance India's security and also global security.

FINANCE (NO. 2) BILL 1996—CONTD.

1738 hrs.

[English]

SHRI NIRMAL KANTI CHATTERJEE (DUMDUM) : Mr. Deputy-Speaker, Sir, as I rise to speak on the Finance Bill, I have a feeling which is very cheeky, like our position in the United Nations. Many people said many good things there and then voted with the overwhelming majority.

I really am amazed—I will take off from what Shri Gadhvi has said - by all this glib talk about competition because it is well known throughout the world that it is not a world of competition. Only 200 to 300 multinational corporations of the world produce between 60 to 70 per cent of world's industrial production and you talk of competition sitting here. We all know that worldwide even in terms of corruption, it is these multinationals which are corrupting statesmen the world over. But it seems we have stuck with this word 'competition' even within our own country.

Do we not have reservations ? We try to protect the small scale sector from the incursions of the large scale sector. So, when we talk about quite natural under a capitalist economy, through competition one enters into such a scale that one becomes a monopolist.

It is the law of competition, which generates monopoly and we ought to remember that in discussing how to make our economy competitive.

Sir, we ar discussing the Finance Bill. Through this Finance Bill, the Union Government will collect a sum of Rs. 97,000 crore in order to finance an expenditure of Rs. 2,84,000 crore. Less than 50 per cent of our expenditure would be financed through measures adopted in this Finance Bill. This is our tax bill. Was it necessary that this should be so ?